

Effective July 1, 2003, the Coal Exploration, Mining, Off Highway Hauling, Processing, Maintenance and Reclamation Equipment Exemption was repealed. See 86 Ill. Adm. Code 130.350 (This is a GIL.)

October 8, 2003

Dear Xxxx:

This letter is in response to your letter dated July 10, 2003, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.1120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

After reading your July 2003 Sales and Use Tax Informational Bulletin that lists the 'tax exemption repeals', and talking to one of our Illinois vendors, and then calling the Illinois tax help-line, I would like to request clarification.

Although the verbal interpretation that I am given is that 'all machinery parts' are now taxable, I don't find those terms in either the Informational Bulletin or SB842 that I viewed from your website. Can you please show me where this tax exemption pertains to 'all machinery parts' regardless of the type of manufacturer?

For your information, our company processes metallurgical coke through a screening process. We therefore use screening equipment which is comprised primarily of screens, motors, and conveyor belts. Your help in clarifying the taxability of related parts used in repairs and maintenance would be extremely helpful.

Thanks in advance for your help.

Effective July 1, 2003, the Coal Exploration, Mining, Off Highway Hauling, Processing, Maintenance and Reclamation Equipment Exemption was repealed. Please see 86 Ill. Adm. Code 130.350 attached. This exemption included the processing of coal, which includes preparation activities performed directly on the coal which are necessary for converting coal into a finished product so that it is ready for sale. Processing includes, but is not limited to, sizing, crushing, drying and washing. To the extent that your company is involved in the processing of coal, an exemption for machinery and equipment related to that processing is no longer available.

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.